

# Enterprise Risks Focus List

<b><u>Risk</u></b>	<b><u>Risk Events</u></b>	<b><u>Risk Statement</u></b>
Investment Performance	Asset Allocation // Markets // Risk Management // Benchmarks	Investment results are subject to a number of factors that could lower returns to below required or anticipated levels. If these risks were to occur, then contribution rates and/or benefits could be impacted along with reputation.
Reputation / Political	Stakeholder, Market, & Public Opinion // People, Processes, & Systems // Significant “headline” Issues	Reputation risk is a collective representation of past actions and business practices that could result in negative publicity, whether true or not, that may impact ability to deliver on strategic mission, goals and objectives to multiple stakeholders, and may cause or result in a decline in system participation, costly litigation, or revenue reductions.
Information Security	Confidentiality // Integrity // Availability	Security protects information assets (data) and information systems from unauthorized access, use, disclosure, disruption, or modification. Insufficient security could result in a loss of confidential or sensitive data, or manipulation of data that could impact CalPERS and its members.
my CalPERS	Project delays // Cost Over Runs // Functionality // Stakeholder Interface // Security // Compliance	Implementation of my CalPERS to improve delivery of customer services may be impacted by information technology project events that may result in financial, legal, operational, and compliance, workload, and reputational risks.

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Health Care Reform	Legislation // State Law // Health Policy // Health Care Plans and Providers	Major changes to existing laws/policies may impact the cost, quality, access, and delivery of healthcare services to members and CalPERS benefit administration.
Internal Governance	Ethics // Tone at the Top // Fraud // Accountability // Everyday Decision-making // Appropriate Management Oversight	Effective organizational structure, delegations, policies and procedures, internal controls, compliance, and risk management support CalPERS mission, goals, and objectives. Inadequate CalPERS governance without strong focus on the highest of ethical conduct could result in increased strategic, operational, financial, or legal and compliance risks.
Cost of Benefits	Cost of Pension and Health Benefits // Benefit Administration	The risk of increasing pension and health benefits costs may result in cost challenges for members and employers. This would negatively impact participation and/or revenues across all areas of the organization.
Pension Benefits	Defined Benefit Design // Legislation	Statutory changes to reduce or eliminate defined benefit plans for public employees could adversely impact the ability of CalPERS to: 1) meet current obligations in the delivery of retirement benefits to members and their beneficiaries; 2) provide services to employers; 3) implement strategic goals and objectives/system resources.
Workload Management	Customer Services // Prioritization, Distribution, and Coordination	Ability to deliver services to members and stakeholders, within determined periods, may be impacted by workload increases (i.e.: retirement estimates), resources allocated to strategic initiatives, employee morale, recruitment, and vacancies.

**Risk**

**Risk Events**

**Risk Statement**

Succession  
Planning

Aging Workforce // Loss of Institutional  
Knowledge // Recruitment //  
Professional Development

Succession planning ensures sufficient and qualified employees to carry out mission and goals to meet/exceed member/stakeholder expectations. Lack of effective succession planning could lead to a loss of institutional knowledge which could impact the quality of services to our members and employers.